

## Message Text

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ACTION SS-30

INFO OCT-01 ISO-00 SSO-00 NSCE-00 /031 W

----- 033828

O 152030Z MAY 74

FM AMEMBASSY KINGSTON

TO SECSTATE WASHDC IMMEDIATE 4720

S E C R E T SECTION 1 OF 2 KINGSTON 1701

EXDIS

PASS TO OPIC

EO 11652: GDS

TAGS: EMIN, PINT, US, JA

SUBJECT: BAUXITE NEGOTIATIONS SITREP #47 : INTERVIEW

WITH PRIME MINISTER MANLEY, MAY 14

REF: STATE 96909

1. ACTING ON INSTRUCTIONS FROM THE DEPARTMENT, CHARGE SOUGHT A MEETING WITH PRIME MINISTER MANLEY FOR THE MORNING OR EARLY AFTERNOON OF MAY 14. AN APPOINTMENT WAS GRANTED AT 11:15 AM AND THE MEETING LASTED

APPROXIMATELY 50 MINUTES.

2. CHARGE BEGAN BY ASKING IF PM HAD RECEIVED THE COPY OF THE TALKING POINTS USED BY ASSISTANT SECRETARY KUBISCH IN HIS CONVERSATION WITH AMBASSADOR FLETCHER LAST WEEK WHICH CHARGE HAD DELIVERED AT JAMAICA HOUSE ON MAY 11. PM RESPONDED IN A COLD AND FORMAL MANNER THAT HE HAD RECEIVED THE TALKING POINTS SATURDAY EVENING, AND THAT HE DID NOT APPRECIATE BEING PUT UNDER THIS KIND OF PRESSURE BY THE GOVERNMENT OF THE UNITED STATES. HE SAID THAT IF WE THOUGHT THREATS COULD ACHIEVE WHAT NEGOTIATION HAD FAILED TO DO WE WERE WRONG. HOWEVER, HE SAID HE UNDERSTOOD THAT CHARGE HAD A DUTY TO PERFORM AND BEGGED HIM TO CONTINUE. CHARGE THEN WENT THROUGH THE PRESENTATION

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USING DEPARTMENT'S TALKING POINTS (REFTEL) ALMOST

VERBATIM AND MATCHING THOUGH NOT EXCEEDING PM'S FROSTY FORMALITY. AT THE END OF THE PRESENTATION PM PREPEATED THAT HE AND HIS GOVERNMENT DID NOT APPRECIATE PRESSURE OR THREATS OF THIS KIND

3. AT THE PM'S INITIATIVE THE MOOD OF THE MEETING THEN CHANGED ABRUPTLY. HE AND CHARGE RELAPSED TO THEIR CUSTOMARY FIRST NAME BASIS AND THE REMAINDER OF THE INTERVIEW CONSISTED OF AN INFORMAL EXCHANGE OF VIEWS, SPIRITED AT TIMES, BUT WARM AND FRIENDLY THROUGHOUT. MUCH OLD GROUND CONCERNING THE DDRIVATION OF THE JAMAICAN POSITION AND ITS EVIDENT VALIDITY WAS REFLOWED BY PM. PM SAID THAT HE HAD SAT UP UNTIL LATE MONDAY NIGHT WITH HIS ADVISERS GOING OVER THE RELEVANT FIGURES AND CALCULATIONS AGAIN AND AGAIN ONLY TO CONCLUDE THAT HIS POSITION WAS FULLY JUSTIFIED. INDEED, HE INDICATED, HE COULD NOT IN GOOD CONSCIENCE ABANDON ANY SIGNIFICANT PORTION OF THAT POSITION IN VIEW OF HIS REPONSIBILITIES TO THE JAMAICAN PEOPLE AND THE PEOPLE OF THE THIRD WORLD. HE ASKED IF, IN ALL SINCERITY, CHARGE COULD SAY THAT PM'S POSITION WAS WHOLLY WRONG GIVEN THE PRESENTATIONS BY BOTH SIDES OF THE PAST 8 WEEKS.

4. CHARGE ANSWERED THAT HE HAD AVOIDED BEING DRAWN INTO DISCUSSIONS OF NUMBERS WITH EITHER SIDE BECAUSE THE UNITED STATES GOVERNMENT WAS NOT, AS THE PM KNEW, A PARTY TO THE NEOGTIATIONS OR DIRECTLY INVOLVED IN ANY WAY. HOWEVER, HE ADDED THAT HIS UNDERSTANDING OF THE RELATIVE POSITIONS OF THE PARTIES WAS LIMITED BY THE FACT THAT COMPANIES HAD SUPPLIED THE USG WITH COPIES OF ANY PAPERS THAT THEY PRESENTED TO THE JAMAICAN NEGOTIATORS AND WITH SOME INTERNAL DOCUMENTS AS WELL WHEREAS THE ONLY GOJ DOCUMENTS WE HAD SEEN IN KINGSTON WAS THE ORIGIANAL GOVERNMETNT POSITION PAPER. CHARGE ACKNOWLEDGED THAT HE HAD LEARNED MUCH OF THE GOVERNMENT'S VIEWS FROM CONVERSATIONS WITH THE PM, MEYER MATALON, AND OTHERS BUTTHIS WAS NOT THE SAME THING AS BEING ABLE TO SIT DOWN AND STUDY A CAREFULLY DRAFTED DOCUMENT. PM SEEMED GENUINELY TAKEN ABACK BY THESE REMARKS AND ASKED ROBERT MASON, HIS PERSONAL ASSISTANT, WHO WAS IN THE ROOM,

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WHETHER THIS WAS SO. MASON SAID HE BELIEVED IT WAS BUT HE WASN'T SURE. PM THEN SAID THAT SURELY DEPARTMENT OF STATE IN WASHINGTON HAD BEEN PROVIDED WITH RELEVANT DOCUMENTS AND MASON SAID AGAIN HE DID NOT KNOW. CHARGE SAID IF THEY HAD BEEN THE DOCUMENTS WERE NOT FORWARDED TO THE EMBASSY. PM THEN CALLED PATRICK ROUSSEAU, CAHIRMAN OF THE BAUXITE COMMISSION, AND ASKED WHY THE EMBASSY HAD NOT BEEN PROVIDED WITH COPIES OF RELEVANT

PAPERS.

ROUSSEAU RESPONDED THAT THIS WAS BECAUSE THE  
USG MADE CLEAR IT DID NOT WISH TO BE INVOLVED IN THE  
NEGOTIATIONS IN ANY WAY. CHARGE ANSWERED THAT THIS,  
OF COURSE, EXPLAINED WHY NEITHER HE NOR THE DEPARTMENT  
HAD REQUESTED ACCESS TO DOCUMENTS. HE SAID WE HAD NOT  
ASKED THE COMPANIES FOR THEIR DOCUMENTS EITHER BUT THE  
COMPANIES HAD NOT FELT THIS PREVENTED THEM FROM SUPPLYING  
SIGNIFICANT DOCUMENTS. PM THEN ASKED IF CHARGE WOULD BE  
WILLING TO SIT DOWN WITH JACK ASHENHEIM, A LAWYER AND  
ACCOUNTANT IN THE FIRM OF MEYER, FLETHCHER AND GORDON,  
WHO HAD BEEN RETAINED BY THE BAUXITE COMMISSION TO  
EVALUATE SOME OF THE FIGURES AND GO OVER SOME OF THE  
GOVERNMENT POSITION PAPERS. CHARGE RESPONDED THAT HE  
WOULD BE INTERESTED IN THIS PROVIDING IT WAS CLEAR  
THAT THE GOJ HAD OFFERED THIS OPPORTUNITY AND NOT THAT  
IT HAD BEEN SOUGHT BY THE USG. PM ACKNOWLEDGED THAT OF  
COURSE THIS WAS THE CASE AND THE APPOINTMENT WITH  
ASHENHEIM WAS ARRANGED FOR 2:00 PM.

5. PM WENT ONTO SAY THAT, WHILE HE WAS CONVINCED HIS  
FIGURES WERE RIGHT, HE DIDN'T WANT CHARGE OR USG TO  
THINK THAT HE WAS BULLHEADED OR UNWILLING TO COMPROMISE  
AS LONG AS THERE SEEMED TO BE ANY HOPE OF A MUTUALLY  
ACCEPTABLE NEGOTIATED ALUTION. HE SAID THAT AT ONE  
POINT DURING THE NEGOTIATIONS HE HAD, AGAINST THE ADVICE  
OF HIS OWN PEOPLE, INSTRUCTED THAT THE GOVERNMENT BASE  
BE SHIFTED FROM 8.75 PERCENT OF THE PRICE OF PRIMARY METAL  
TO 7.5 , OR A DROP OF 1 1/4 PERCENT WHILE THE INDUSTRY HAD  
SHIFTED ITS POSITION FROM ITS OPENING 2.5 PERCENT ONLY 1 PER-  
CENT POINT TO 3.5. HE SAID THAT HE HAD ALWAYS BEEN WILLING TO  
COMPROMISE BUT ON HIS OWN GROUND AND NOT THE INDUSTRY'S.  
HE SAID HE WANTED A GENUINE NEGOTIATION FROM THE START BUT IT  
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HAD TO BE IN HIS BALLPARK AND THAT EVEN AT ITS MOST  
FLEXIBLE MOVEMENTS THE INDUSTRY HAD NOT APPROACHED THAT  
BALLPARK. CHARGE SAID THAT ONE OF THE PROBLEMS THROUGHOUT  
THE NEGOTIATION HAD BEEN THAT NOBODY HAD BEEN ABLE TO  
FIGURE OUT HOW BIG THE GOVERNMENT'S BALLPARK WAS. PM  
ANSWERED THAT WE COULD BE SURE HE NEVER HAD ANY INTENTION  
OF SETTLING FOR 3 PERCENT OR 4 PERCENT OR 5 PERCENT OF THE  
PRICE OF PRIMARY METAL.

6. CHARGE RECALLED THAT IN THEIR PREVIOUS MEETING HE  
HAD RAISED THE POSSIBILITY OF A SHORT TERM CONTRACT  
AS A MEANS OF CIRCUMVENTING THE PRESENT IMPASSE,  
ALLOWING THE FUTURE TO BECOME THE PAST, AND PERMITTING  
A RENEGOTIATION OF A LONG TERM REVENUE FORMULA IN THE  
LIGHT OF DECISIONS TAKEN ON OON-REVENUE ISSUES. CHARGE

ASKED IF PM HAD GIVEN ANY MORE THOUGHT TO THIS POSSIBILITY. HE REPLIED IN AN ALMOST OFFHAND MANNER SAYING THAT OF COURSE THE GOJ WOULD BE WILLING TO CONCLUDE A THREE YEAR AGREEMENT IF IT WOULD BREAK THE PRESENT IMPASSE, BUT THE REAL ISSUE IS AT WHOSE FIGURE. HE EMPHASIZED ONCE AGAIN THAT THE FIGURE, WHATEVER IT WAS, WOULD HAVE TO BE IN HIS BALLPARK.

7. CHARGE ALSO RECALLED THAT IN THEIR PREVIOUS MEETING THE PM HAD SEEMED ATTRACTED BY THE MECHANISM OF AN ESCALATION CLAUSE FOR ELIMINATING FUTURE UNCERTAINTY AND FACILITATING A NEGOTIATED AGREEMENT. HE NOTED THE INDUSTRY OFFER OF SUNDAY MAY 12 WHICH APPEARED TO BE A SERIOUS PROPOSAL IN LINE WITH PM'S OWN THOUGHTS AS EXPRESSED PREVIOUSLY TO CHARGE. CHARGE SAID IT WAS DIFFICULT TO UNDERSTAND WHY GOJ NEGOTIATORS REJECTED THAT PROPOSAL SO QUICKLY AND SEEMED SO LITTLE INTERESTED IN ITS FURTHER EXAMINATION AND STUDY. PM SEEMED LITTLE INTERESTED IN PURSUING THIS SUBJECT BUT MASON PICKED IT UP SAYING THAT, WHILE THE PROPOSAL WAS INTERESTING, IT SEEMED TO THE JAMAICANS TO BE MORE PIE IN THE SKY SINCE THE TRIGGER FOR THE ESCALATOR FEATURE WAS 14 PERCENT YIELD BY THE COMPANIES, A FIGURE EQUAL TO THE RECORD YEAR THEY HAD EVER HAD. HE SAID THAT ONE DIDN'T BASE A WORKING FORMULA ON WORLD'S RECORD PERFORMANCE. CHARGE ASKED IF GOJ NEGOTIATORS HAD PROPOSED AN ALTERNATIVE TRIGGERING MECHANISM MORE TO THEIR  
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LIKING IF THE 14 PERCENT FIGURE SEEMED INAPPROPRIATE. MASON ACKNOWLEDGED THAT THEY HAD NOT. HEWITT

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ACTION SS-30

INFO OCT-01 ISO-00 SSO-00 NSCE-00 /031 W

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FM AMEMBASSY KINGSTON  
TO SECSTATE WASHDC IMMEDIATE 4721

S E C R E T SECTION 2 OF 2 KINGSTON 1701

EXDIS

8. CHARGE THEN RETURNED TO THE THEME OF HIS ORIGINAL TAKING POINTS SAYING HE WANTED PM TO UNDERSTAND THAT USG AND THE DEPARTMENT WERE NOT PRESSURING HIM TO REACH ANY PARTICULAR AGREEMENT WITH THE COMPANIES OR TO AGREE WITH THEM AT ALL. NEITHER WERE WE SEEKING AN AGREEMENT AT 5#8 58.3. QUITE THE CONTRARY IF ANYTHING. CHARGE REITERATED IN A FRIENDLY FASHION THAT IF THE GOJ TOOK UNILATERAL ACTION TO IMPOSE ITS DEMANDS AT THIS TIME THE PUBLIC REACTION IN THE UNITED STATES WOULD BE BEYOND THE CONTROL OF THE DEPARTMENT OF STATE AND OF THE EXECUTIVE BRANCH AND THE LIKELY CONSEQUENCES WERE READILY APPARENT. WITH A DISARMING SMILE PM ASKED WHAT WE WOULD HAVE HIM DO? HE SAID THAT UNLESS HE FORCED SOME KIND OF CONCLUSION THE TALKS MIGHT GO ON FOREVER AND IN THE MEANTIME HIS COUNTRY'S ECONOMIC PROBLEMS CONTINUED TO GROW MORE CRITICAL EVERY DAY. GROWING MORE EMOTIONAL, HE SAID HE DID NOT SEE HOW A GREAT COUNTRY LIKE THE UNITED STATES COULD ALLOW ITS FOREIGN POLICY TO BE DETERMINED BY HALF A DOZEN PRIVATE CORPORATIONS. HE SAID HE REGARDED THAT AS A PERVERSION OF EVERYTHING HE BELIEVED THE UNITED STATES STOOD FOR AND OF ITS WHOLE HISTORY. CHARGE REPLIED THAT BOTH HE AND PM WERE REALISTS AND THAT POLITICAL AND SOCIAL SYSTEMS SELDOM FUNCTION PRECISELY AS THEY WERE DESIGNED TO DO. WHATEVER THE RIGHTS AND WRONGS OF THE SITUATION WERE, THE FACT WAS THAT UNILATERAL ACTION BY JAMAICA WOULD CREATE A STRONG REACTION IN THE UNITED STATES WITH RESULTS THAT DEFIED CALCULATION.

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CHARGE EMPHASIZED ONCE AGAIN THAT WE WERE NOT THREATENING JAMAICA BUT SEEKING TO AVOID A SITUATION IN WHICH EVERYONE'S OPTIONS DISAPPEARED. HE OBSERVED THAT A MAN ON A BEACH WHO POINTED OUT AN APPROACHING TIDAL WAVE TO HIS FELLOW BATHERS WAS NOT EXACTLY THREATENING THEM.

9. PM REPEATED IN TONES OF PASSIONATE SINCERITY THAT HE DID NOT WISH A CONFRONTATION WITH THE UNITED STATES, THAT HE WAS A GOOD FRIEND OF THE UNITED STATES AND ONE OF THE LAST FRIENDS IT HAD IN THE DEVELOPING WORLD. HE REITERATED THAT HE HAD NOT CLOSED ALL DOORS TO A SOLUTION AND SAID THAT HE MEANT TO BE FLEXIBLE IN THE FORTHCOMING MEETING WITH THE CHIEF EXECUTIVE OFFICERS

OF THE COMAPNIES. IN FACT, HE SAID, HE WAS PREPARED TO TAKE PERSONAL RESPONSIBILITY FOR DEPARTING FARTHER FROM HIS GOVERNMENT'S BASIC POSITION THAN HE HAD GIVEN AUTHORITY TO HIS NEGOTIATORS TO DO, BUT ANY SETTLEMENT HAD TO BE IN HIS BALLPARK AND NOT THAT OF THE COMPANIES.

10. MEETING CLOSED WITH CHARGE SAYING THAT WE UNDERSTOOD AND APPRECIATED HIS FRIENDSHIP AND THAT OF HIS GOVERNMENT FOR THE UNITED STATES, AND THAT HE COULD NOT DO OTHER THAN BELIEVE IN OUR SINCERITY WHEN WE SAID THAT WE WISH TO AVOID BEING FORCED INTO A CONFRONTATION. CHARGE REMINDED HIM THAT AT THIS VERY TIME THE SECRETARY WAS SEEKING TO PUT U.S. RELATIONS WITH THE COUNTRIES OF THE HEMISPHERE ON A NEW AND MORE MATURE FOOTING AND POINTED OUT THAT IN MANY WAYS THE KIND OF RELATIONSHIP WE WERE SEEKING TO ESTABLISH WITH OTHER COUNTRIES IN THE HEMISPHERE WAS SIMILAR TO THE ONE WE HAD ENJOYED WITH JAMAICA SINCE ITS INDEPENDENCE. THE LAST THING WE WANTED WAS A CONFRONTATION ANYWHERE RIGHT NOW OVER AN INDUSTRIAL DISPUTE, AND LEAST OF ALL WITH OUR OLD FRIEND, JAMAICA. HOWEVER IF HIS GOVERNMENT TOOK UNILATERAL ACTION THE CONSEQUENCES IN THE UNITED STATES WOULD BE DIFFICULT OR IMPOSSIBLE TO AVOID. PM REPLIED THAT HE UNDERSTOOD AND APPRECIATED OUR CONCERN BUT IF THE THUNDER WAS GOING TO ROLL, THE LIGHTNING FLASH, AND THE RAIN COME DOWN ON HIS LITTLE ISLAND IT HAD BETTER HAPPEN NOW RATHER THAN LATER. HEWITT

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## Message Attributes

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**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
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**Original Previous Classification:** n/a  
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